

**NEVADA  
GOLDFIELDS  
INC.**

**BARITE HILL PROJECT**

Highway 221 & State Road 33-162  
P.O. Box 1510  
McCormick, South Carolina 29835  
Phone 803/465-3321 Fax 803/465-4308

September 19, 1995

Rainsford & Sons  
General Partnership  
PO Box 120  
Edgefield, SC 29824

Re: Release of Mineral Rights

Dear Sir,

Enclosed is the original partial release of mineral rights to the land referenced in the release document. Nevada Goldfields, Inc. has retained a right of entry for maintenance of reclaimed land pursuant to the Mining Laws of South Carolina.

If you have any questions, please contact me at (803) 443-2222.

Sincerely,



Scott A. Wilkinson  
Project Manager

SAW:AN  
Enclosure



10755187

**McNAIR LAW FIRM, P.A.**  
ATTORNEYS AND COUNSELORS AT LAW

NATIONSBANK TOWER/1301 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201

MAILING ADDRESS:  
POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
TELEPHONE 803/799-9800  
FACSIMILE 803/799-9804

CHARLESTON OFFICE  
140 EAST BAY STREET  
CHARLESTON, SC 29402  
TELEPHONE 803/723-7831  
FACSIMILE 803/722-3227

GEORGETOWN OFFICE  
121 SCREVEN STREET  
GEORGETOWN, SC 29442  
TELEPHONE 803/548-6102  
FACSIMILE 803/548-0096

GREENVILLE OFFICE  
7 NORTH LAURENS STREET/SUITE 601  
GREENVILLE, SC 29601  
TELEPHONE 803/271-4940  
FACSIMILE 803/271-4015

HILTON HEAD OFFICE  
31-C BOW CIRCLE  
HILTON HEAD ISLAND, SC 29928  
TELEPHONE 803/785-5169  
FACSIMILE 803/842-3310

MYRTLE BEACH OFFICE  
2411 OAK STREET/SUITE 403  
MYRTLE BEACH, SC 29577  
TELEPHONE 803/444-1107  
FACSIMILE 803/444-4729

SPARTANBURG OFFICE  
101 WEST ST. JOHN STREET/SUITE 306  
SPARTANBURG, SC 29304  
TELEPHONE 803/542-1300  
FACSIMILE 803/542-0705

WASHINGTON OFFICE  
1155 FIFTEENTH STREET, N.W./SUITE 1101  
WASHINGTON, DC 20005  
TELEPHONE 202/659-3900  
FACSIMILE 202/659-5763

September 8, 1995

Scott Wilkinson  
Nevada Goldfields, Inc.  
Barite Hill Project  
Post Office Box 1530  
McCormick, South Carolina 29835

RE: Partial Releases

Dear Scott:

Enclosed herewith are recorded copies of the two partial releases in which Gwalia's mailing address was changed to reflect the office in Denver. Please deliver the original copy to the property owners and keep a copy for your files.

If you have any questions or comments regarding the documents, or if I can be of assistance in any other way, please do not hesitate to call me.

Sincerely,

  
Nancy R. Jefferis

NRJ:bm  
Enclosures

STATE OF SOUTH CAROLINA )  
 )  
 )  
COUNTY OF MCCORMICK )

PARTIAL RELEASE OF  
MINING LEASE AND  
OPTION AGREEMENT  
(DEED BOOK 39, PAGE 44)

This Partial Release of Mining Lease and Option Agreement (the "Release") is executed as of the 29 day of June, 1995 by Gwalia (U.S.A.) Ltd. (hereinafter referred to as "Gwalia"), a Delaware corporation whose mailing address is 1801 Broadway, Suite 1620, Denver, Colorado 80202.

W I T N E S S E T H:

WHEREAS, John Rainsford, Jr. and Continental Oil Company entered into a Mining Lease and Option Agreement (the "Lease") dated December 14, 1974 (as amended December 13, 1979), a Memorandum of which is recorded at Deed Book 39 at Page 44 in the Office of the Clerk of Court of McCormick County, South Carolina; and

WHEREAS, John Rainsford, Jr. granted, bargained and released his interest in the aforementioned parcel of land to Rainsford & Sons, a General Partnership by deed dated February 27, 1975, and recorded in Deed Book 38 at Page 129 in the Office of the Clerk of Court of McCormick County, South Carolina; and

WHEREAS, Amselco Exploration Inc., successor in interest to Continental Oil Company, assigned the Lease to Amselco Minerals Inc. pursuant to an Assignment of Leases of Real Property dated February 3, 1987, and recorded in Deed Book 65 at Page 97, Deed Book 65 at Page 96, Deed Book 80 at Page 46, and Deed Book 39 at Page 44 on the 5th day of March, 1987 in the Office of the Clerk of Court of McCormick County, South Carolina. A portion of the interest of Amselco Minerals Inc. in this property has been conveyed to Hawk Resources (U.S.A.) Limited, the predecessor in interest to Gwalia, by Special Warranty Deed dated as of January 1, 1988, and recorded in Deed Book 89 at Page 106 in the Office of the Clerk of Court of McCormick County, South Carolina; and

WHEREAS, Amselco Minerals Inc. made, executed and delivered to Gwalia that certain Assignment of Lease and Other Property Rights (the "Assignment") dated November 15, 1988, and recorded in the Office of the Clerk of Court of McCormick County, South Carolina on February 2, 1989 in Deed Book 89 at Page 107; and

WHEREAS, pursuant to the Assignment, Amselco granted, bargained, released, assigned, transferred, conveyed, set over and

COLA2:212848-2 BOOK 39 OF  
DEED  
PAGE 44

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PARTIAL Release OF  
THE WITHIN  
AGREEMENT ENTERED  
UPON RECEIPT

delivered to Gwalia and its successors and assigns Amselco's right, title and interest in the Lease, together with the rights, members, hereditaments, and appurtenances thereto or in any way incident or appertaining to the Lease, to have and to hold, all and singular, such interest unto Gwalia, its successors and assigns forever; and

WHEREAS, Gwalia has completed its mining operation on the subject parcel of land and it is the intent of Gwalia to complete its legal obligation to reclaim and maintain reclamation of the subject parcel of land in accordance with the approved reclamation plan; and

WHEREAS, in order to accomplish the foregoing, Gwalia intends expressly to retain the right to enter the subject parcel of land for reclamation purposes and, by duly executing this Partial Release, release all other rights and obligations under the Lease.

NOW KNOW ALL PERSONS BY THESE PRESENTS, that Gwalia, in consideration of the sum of \$10.00 and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, does hereby partially release the Lease and such of its rights and obligations thereunder as are not required to complete reclamation of the land; provided, however, that Gwalia retains the right under the Lease and is hereby permitted to make whatever entries on the subject parcel of land and to take whatever actions may be necessary in order to carry out reclamation of the subject parcel of land in accordance with Gwalia's mining permit and South Carolina mining reclamation regulations, including without limitation, maintenance of the area known as the Rainsford pit and waste rock area A, containing approximately 25 acres, exclusively as a grassland area, with no other use permitted, until such time as such area is released from regulation by the Land Resources Division of the South Carolina Department of Health and Environmental Control. Such rights to continue in effect until reclamation is complete or the existing reclamation bond is released.

IN WITNESS WHEREOF, Gwalia has executed this Release as of the date first written above.

GWALIA (U.S.A.) Ltd.

Scott A. Wilkin  
Witness

By: J. G. Kuche

James L. Clark  
Witness

Its: V.P. Operations

STATE OF SOUTH CAROLINA )  
COUNTY OF McCormick )

PERSONALLY APPEARED BEFORE ME, the undersigned witness,  
who, being duly sworn, deposes and states that (s)he saw the within  
named Gwalia (U.S.A.) Ltd. by Joe Kinchen, its V.P.  
operations, sign, seal and deliver the foregoing  
instrument and that (s)he with the other witness whose name is  
subscribed above witnessed the execution thereof.

Scott A. Withers  
Witness

SWORN to before me this  
29 day of June, 1995.

André N. N. N. (L.S.)  
Notary Public for South Carolina  
My Commission Expires: 10-14-2004

FILED

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KATHRYNE P. BUTLER  
CLERK OF COURT  
McCORMICK COUNTY, S.C.